

**Assembly Bill No. 2319**

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Passed the Assembly    April 18, 1996

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*Chief Clerk of the Assembly*

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Passed the Senate    July 7, 1996

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 1996, at \_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*

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## CHAPTER \_\_\_\_

An act to add Section 19264 to the Revenue and Taxation Code, relating to taxation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2319, Weggeland. Income taxes: earnings withholding orders: service.

Existing law allows an earnings withholding order for taxes or any other notice or document required in connection with a withholding order for taxes to be served by mail, as specified.

This bill would require the Franchise Tax Board to establish a pilot program to issue earnings withholding orders, required to be served or provided on after January 1, 1997, and before January 1, 1999, to certain government and private employers by magnetic media, electronic transmission, or other electronic technology. The bill would require the board to report to the Legislature, on or before January 1, 1999, as to the results of the pilot program, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19264 is added to the Revenue and Taxation Code, to read:

19264. (a) Notwithstanding Sections 706.071 and 706.080 of the Code of Civil Procedure, the Franchise Tax Board shall establish a pilot program to issue earnings withholding orders for taxes and any other notice or document required to be served or provided in connection with an earnings withholding order, pursuant to Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, to government and private employers by magnetic media, electronic transmission, or other electronic technology. The purpose of the pilot program is to study the feasibility and cost effectiveness of the Franchise Tax Board issuing earnings withholding orders



to employers using magnetic media, electronic transmission, or other electronic technology.

(b) The pilot program shall apply to any earnings withholding order for taxes and any other notice or document required to be served or provided in accordance with subdivision (a) on or after January 1, 1997, and before January 1, 1999, to an employer who agrees to participate in the pilot program.

(c) For purposes of the pilot program, the Franchise Tax Board shall identify and work with employers who agree to be served as authorized by subdivision (a).

(d) The pilot program shall be successful if the Franchise Tax Board can demonstrate all of the following:

(1) The Franchise Tax Board's time to prepare and serve earnings withholding orders by magnetic media, electronic transmission, or other electronic technology, as authorized by subdivision (a), will be reduced by at least two days when compared to orders that would otherwise be prepared and served under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(2) The Franchise Tax Board's administrative cost to prepare and serve earnings withholding orders by magnetic media, electronic transmission, or other electronic technology, as authorized by subdivision (a), will be less than the cost to prepare and serve orders as specified under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(3) The employer's time and administrative costs to receive and comply with orders served in accordance with subdivision (a) do not exceed the time and administrative costs when compared to receiving and complying with orders served in accordance with Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(e) The Franchise Tax Board shall report to the Legislature on or before January 1, 1999, as to the results of the pilot program. The report shall include a cost

comparison and the administrative advantages and disadvantages of preparing and serving earnings withholding orders by traditional methods and by magnetic media, electronic transmission, or other electronic technology.

(f) If the Franchise Tax Board determines that the pilot program is successful based on the criteria stated in subdivision (d), the Franchise Tax Board may continue to issue earnings withholding orders for taxes and any other notice or document required to be served or provided in connection with an earnings withholding order, pursuant to Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, to government and private employers who agree to accept service by magnetic media, electronic transmission, or other electronic technology.

(g) This section shall apply in the same manner and with the same force and effect and to the full extent as if this section had been incorporated in full into Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.



Approved \_\_\_\_\_, 1996

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*Governor*

